

**Pre-Layoff Mitigation/Transition Package**  
**Exclusive Representative: CAPS**  
**Bargaining Unit 10**

12/1/2011

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State Fund plans to layoff employees in Bargaining Unit 10 early 2012. To mitigate this layoff State Fund will offer employees a transition package in lieu of layoff in exchange for employees waiving certain rights defined below. These positions are in areas where work has been significantly reduced or has disappeared over time as business processes/practices have evolved to enable State Fund to serve all California businesses efficiently and to be fairly competitive (State Fund's mission and charter), and to provide services that are responsive to customers' evolving needs (State Fund's vision).

**A. Transition Package**

1. Transition payments will be offered employees in the attached list of classifications as a pre-layoff mitigation. Any employee in those classifications may participate.
2. A maximum of (2) Ergonomics Specialist and (8) Industrial Hygienist will be eligible for this Transition Package at this time. In the event that more applicants signify their interest, those with the highest State Seniority will be accommodated.
3. Employees in eligible classifications shall have the option to separate or retire and select a transition package by December 15, 2011. The employees' final day of work will be no later than December 31, 2011, and State Fund will make the transition payment checks available no later than January 31, 2012. It is understood that implementation of the transition package may be subject to final approval by the Joint Legislative Budget Committee (JLBC).

In the event the transition package does not receive approval by the JLBC, this agreement is null and void.

4. The transition amounts will be as follows and will not be subject to PERS:

Employees with seven or more years of state service as of December 31, 2011 shall receive six (6) months of wages, calculated at the top step of their wage classification, plus \$9,000 (could be used for COBRA, lost vacation or annual leave accumulation etc.).

Employees with less than seven years of state service shall as of December 31, 2011 receive four (4) months of wages, calculated at the top step of their wage classification, plus \$6,000 (could be used for COBRA, lost vacation or annual leave accumulation etc.).

Attachment A is a list of the classifications eligible for the transition package and the amount of compensation employees in each classification are entitled to receive.

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5. State Fund shall not dispute any valid claim for Unemployment Insurance benefits from employees who have accepted the Transition Package in the scope of the voluntary layoff. State Fund agrees that receipt of a Transition Payment does not render a claim for Unemployment Insurance invalid.
  6. Employees who accept the transition package must sign a waiver for the remainder of their SROA status should any remaining status exist, a waiver of their right to be on the re-employment list, and recognition that Transition Payments are not final compensation and not subject to penalties.
  7. It is agreed that employees opting for this Transition Payment shall be separated on the date of their choosing, prior to the deadline, and that notwithstanding any subsequent offers of employment from SCIF, other state agencies, or other PERS agencies there shall be no obligation to return all or any part of the Transition Package.
- B. In recognition of potential hardship of relocating 50 miles or more as part of the State Fund's Three-Year Strategic Plan, State Fund agrees to assist employees in returning to their prior area of residence.
1. Employees in impacted classifications, who changed their residence or who are in corporate housing due to the Three-Year Strategic Plan shall be entitled to everything described in Section A (Transition Package) plus the following:
    - a) An extension of corporate housing for a total of 120 days or lodging reimbursement for a total of 120 days
    - b) An extension of payment for the storage of household goods for a total of 120 days.
    - c) Payment of the costs associated with the return relocation of household goods to the designated location selected by the employee in accordance with the criteria of State Fund's relocation reimbursement program.
    - d) State Fund shall process and disburse full payment within 15 working days of receipt in the HR Relocation Program, Pleasanton, of an accurate, complete (including all required documentation) and signed reimbursement claim.
  2. In addition to what is described in B1, employees in impacted classifications, who changed their residence due to the Three-Year Strategic Plan and who separate by December 31, 2011 shall be reimbursed for the following to mitigate the upcoming layoffs:
    - a) Buyout of rental leases or payments of penalties for breaking lease agreements.

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- b) In the event the employee purchased a home, reimbursement of costs associated with the sale.
- c) 24 hours of paid administrative time to locate new housing, pack, etc.

These shall be in accordance with the criteria of State Fund's Relocation Reimbursement Program.

- C. No later than December 30, 2011, State Fund will provide CAPS with a complete list of all CAPS represented employees who have selected a transition package as described in A and/or relocation package as described in B.
- D. Employees who remain working at State Fund after the transition package is offered shall not have their time off cancelled because of staff shortages due to the transition package.
- E. The parties agree that this Agreement is intended to address the matters set forth herein. The parties also agree that it is not intended to restrict or prohibit in any way any future negotiations between the parties under applicable law. The parties agree that nothing in this Agreement shall be construed as a waiver of CAPS' right to bargain over the State Fund reduction in force, or to enforce the agreement between State Fund and CAPS Three-Year Strategic Plan ("Three-Year Plan Agreement"), or any other matters under the scope of representation under applicable law.
- F. Dispute Resolution: Any dispute regarding the interpretation, application or alleged violation of this Agreement/side letter shall be subject to the grievance and arbitration procedure of the parties' current contract.

State Fund and CAPS agree to make every reasonable effort to expedite the processing of grievances related to the Transition Package agreement.

**Area of Layoff**

The area of layoff for Unit 10 employees shall be either "Northern California" or "Southern California".

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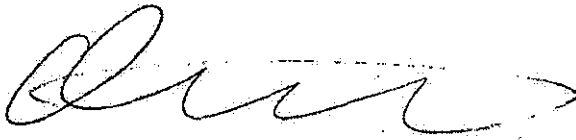
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ATTACHMENT A:


Classification	Max Base Salary	TOTAL TRANSITION PACKAGE (Less than 7 years of service)	TOTAL TRANSITION PACKAGE (7 or more years of service)
Associate Ergo Specialist	\$6,577	\$32,308	\$48,462
Associate Industrial Hygienist	\$6,577	\$32,308	\$48,462

Agreed:



CALIFORNIA ASSOCIATION OF PROFESSIONAL SCIENTISTS

Date:

Dec. 1, 2011  
 12/2/11

STATE COMPENSATION INSURANCE FUND

Date:

 DPA 12/2/11